

DoD Procurement & IUID eBusiness Roadmap

April 2010

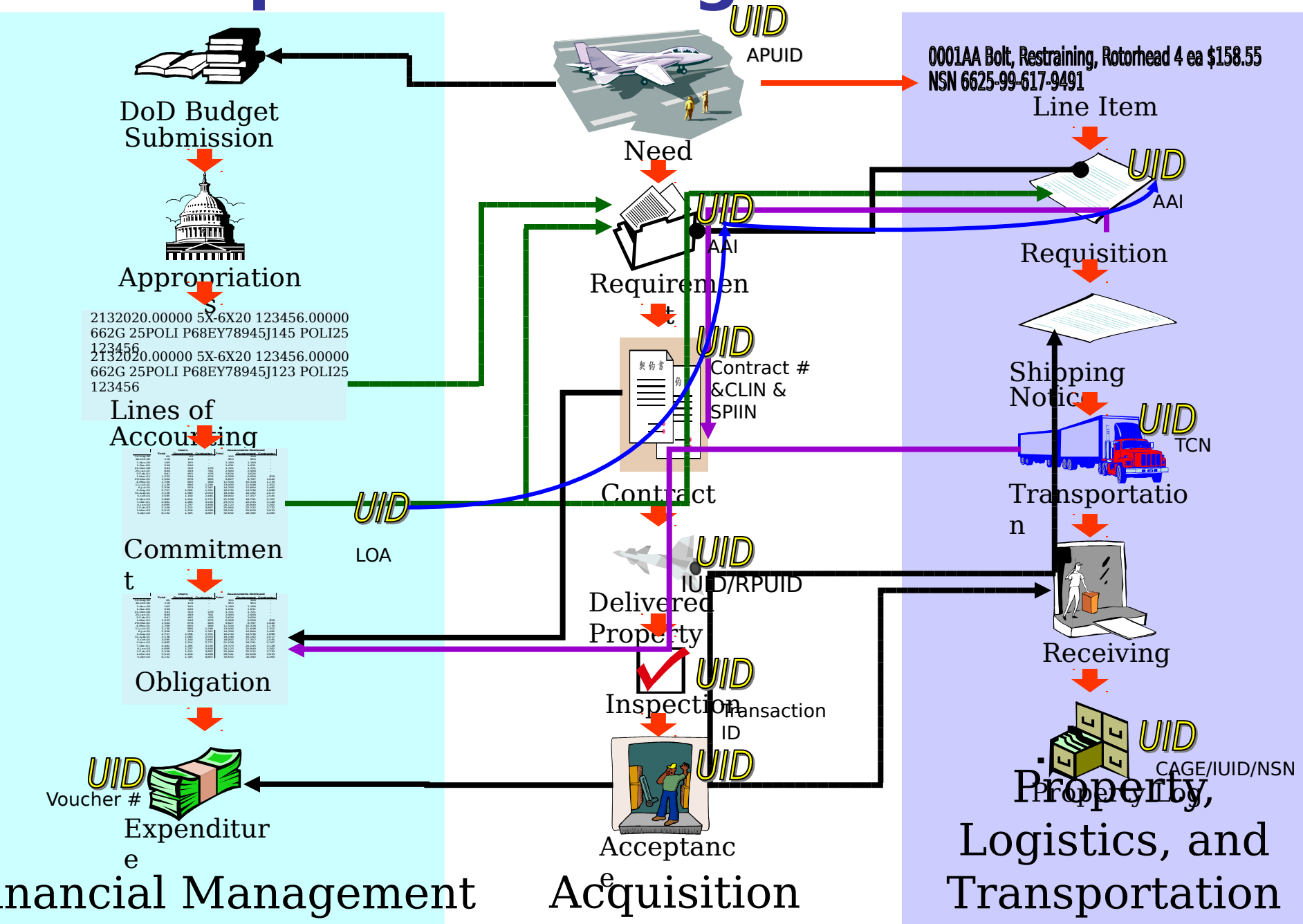
Procurement Data/Reporting and Financial Transparency

- ✓ Federal Financial Accountability and Transparency Act (Grants, OTs, Loans, Contracts) – monthly reporting; quarterly data verification and validation requirement
- ✓ A traceability solution involving Electronic Document Access to prepopulate the line of accounting for all contracts in Wide Area Work Flow (WAWF)
- ✓ American Recovery and Reinvestment Act reporting
 - Taking Contract Award and Modification Documents to data (beyond PDFs) using –
 - XML data standards
 - Data sharing
 - Reliance on standard transactions
 - Phase I – modifying SPS, Conwrite and F

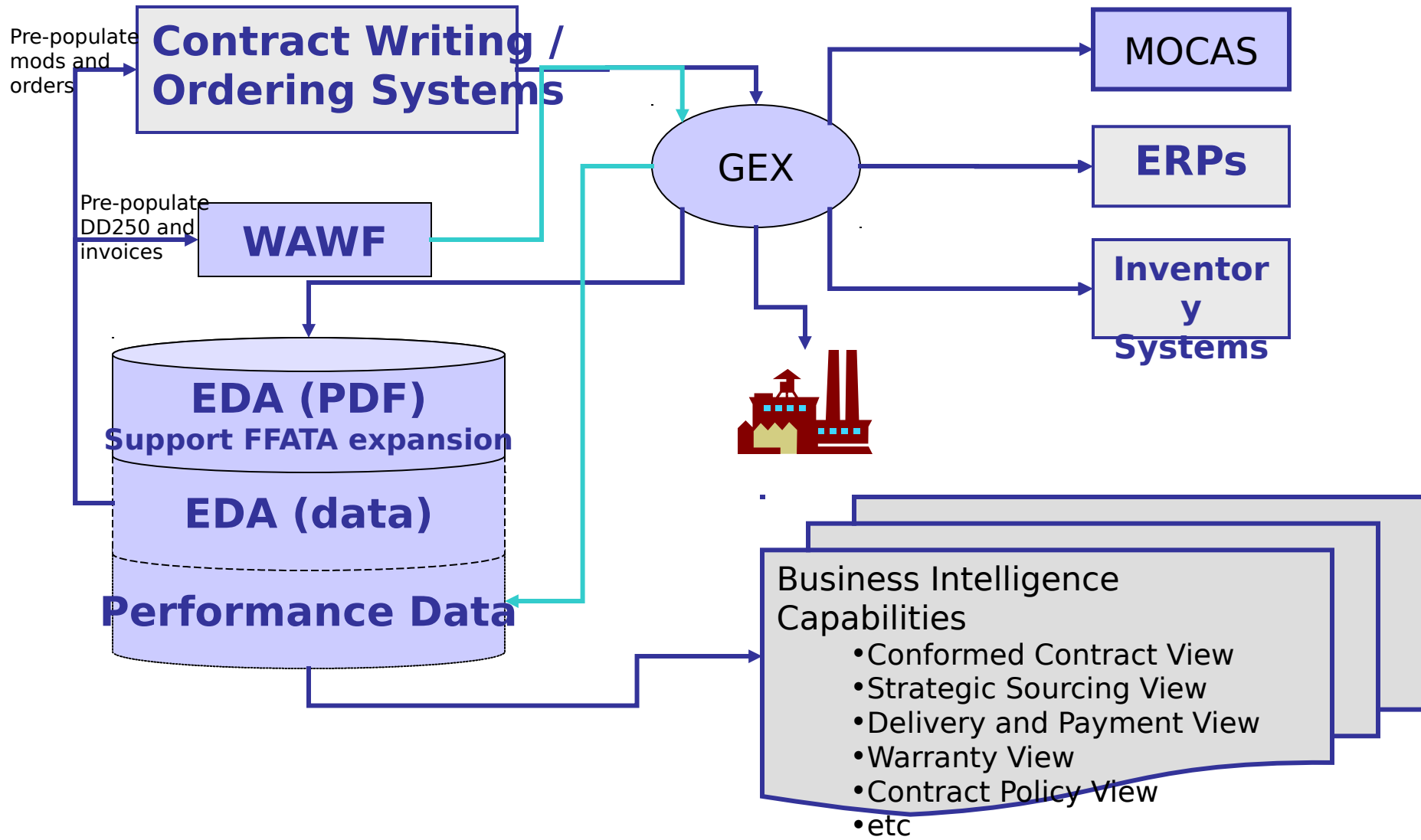


June 2010

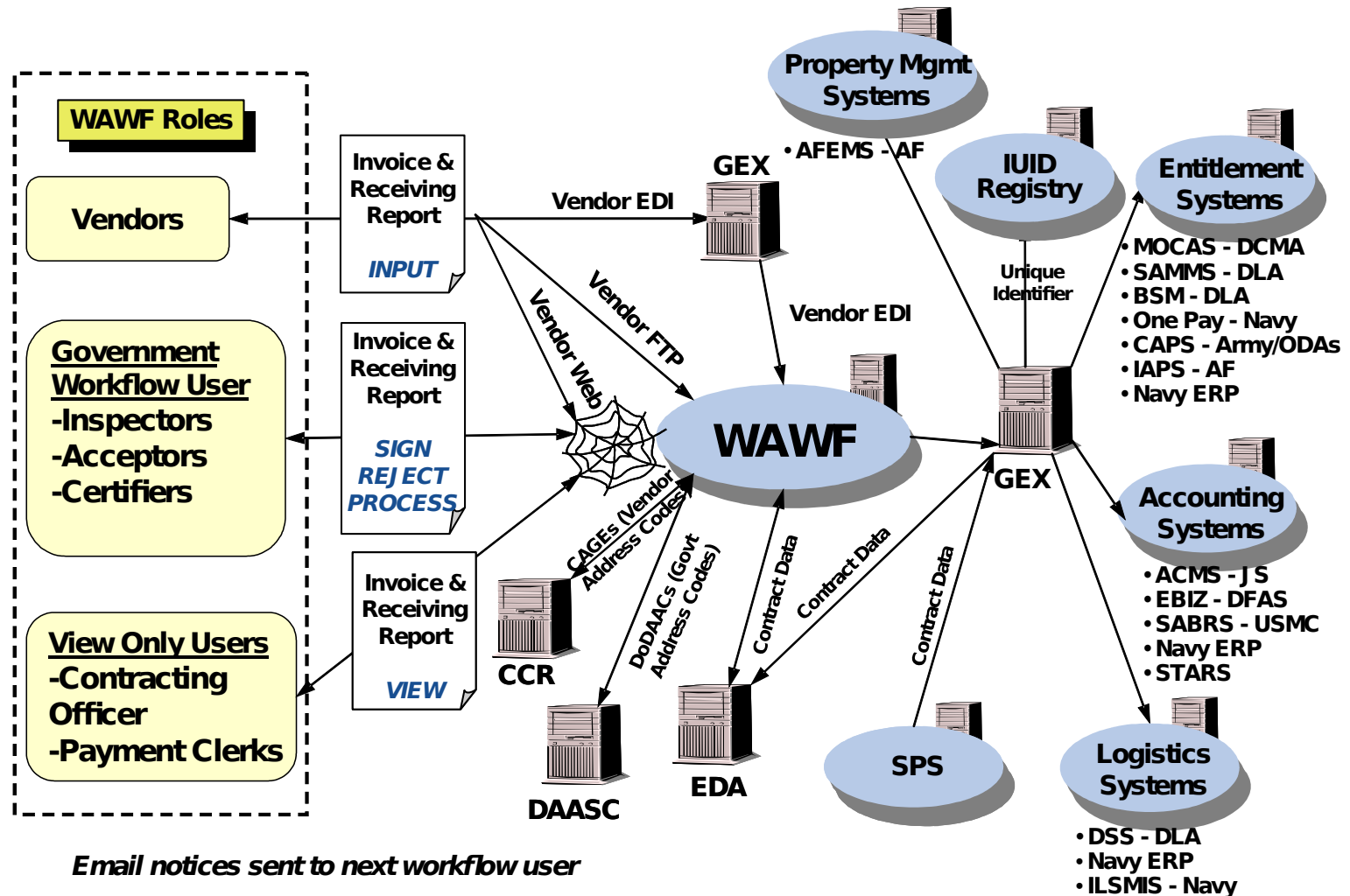
Enterprise UID Digital Data Flow



Contract Business Intelligence



WAWF Current Process State



Purchase Request Data

- **Purchase Request Data Standard** – pending policy; schema developed
- **Business Intelligence**
 - Enabling an enterprise view of contract award data; electronic anomaly reports under development
- **Receipt and Acceptance/ Miscellaneous Payments/Invoices/Property Transfers**
 - Internal controls with Direct Vendor Deliveries and receipt documentation; Tri-Domain Working Group
 - Focus on Destination Acceptance

Line Item Life Cycle – Schema for Requirements

Requirement

- Requirement identifier
- Item Number
- Description
- Quantity
- Unit of Issue
- Specs and Standards
- Descriptive Identifiers
(e.g. NSN, Type Designation, PN)
- Delivery date
- Ship to
- GFP Provided
- Funding data (AAI/LOA)

Contract

- **Contract Number**
- Item Number
- Description
- Quantity
- Unit of Issue
- Specs and Standards
- Descriptive Identifiers
(e.g. NSN, Type Designation, PN)
- Delivery date
- Ship to
- GFP Provided
- **Contract Type**
- **Unit Price**
- **Payment provisions**
- Funding data (AAI/ACRN/LOA)

Delivery

- Contract Number
- Item Number
- Description
- Quantity
- Unit of Issue
- Descriptive Identifiers*
(e.g. NSN, Type Designation, PN)
- Unit Price
- **Date Delivered**
- **Shipped to**
- **GFP embedded**
- **Ull**

Invoice

- Contract Number
- Item Number
- Quantity
- Unit of Issue
- Unit Price
- Date Delivered
- Contract Type
- Unit Price
- Payment provisions
- Funding data (AAI/ACRN/LOA)
- **Invoice Number**
- **Invoice Amount**

Government Furnished Property

**(Part of Phase III - Procurement
Data Standard)**

Phase III - Procurement Data Strategy

- Government Furnished Property data structure for -
 - Solicitations and Award
 - Contractor Acquired Property
 - Marking of GFP
- Pending in a DFARS case to be finalized this April/May 2010; need to address adoption by contract writing systems
- Need a 101 Guide and Training

Contractor Acquired Property

- Property acquired on a cost type contract must have better controls over property accountability
- DPAP issued policy memorandum January 2010 directing that department officials -
 - Establish a CDRL requirement for a list of all contractor acquired property; frequency undefined
 - Ensure requiring activities review the list to identify items to enter the government inventory
 - Ensure those items selected are itemized on an exhibit; a CLIN established for delivery. The exhibit should itemize:
 - Acquisition Value
 - Placed in Service Date (default is date acquired)

Why the change to CAP policy?

- BLUF – The existing policy was unclear and leading to audit findings
 - Recent AF audit: 22B of 36B in GFP unaccounted for
- Contracting and program personnel believed that if CAP was rolled forward from contract to contract as “Government Furnished Property”, it only had to be accounted for under the “contract”
- No property book action was taken to add these assets to the books

What does this mean to DoD and Industry Program Managers?

- Prior to award of any new contract the list of ALL equipment that has been rolling forward for years
 - MUST be scrubbed
 - MUST be added to a property book in DoD
 - MUST be itemized on the contract and in the IUID registry
 - GFP Hub (if non UII'd) – pilot phase
 - DFARS rule on material accountability pending as proposed rule
 - MUST address the NDAA policy for tooling and test equipment

GFP Management Policy

- **Ensure regulatory guidance is efficient and effective**
 - DFARS 245 alignment to FAR 45; final rule published (July 09)
 - A DCMA block change contract impacting about 29K contracts was issued Oct 09; requiring GFE reporting to the IUID registry
- **Clarify policy regarding accountability and reporting of Contractor Acquired Property**
 - DoD 7000.14-R Vol 4, Chapter 6 being updated
 - DFARS Procedures, Guidance and Instructions pending

Government Furnished Property

- Numerous IG and GAO audits underway; property cannot be accounted for when in the hands of contractors
- DPAP & Acquisition & Logistics leadership kicked off working group Feb 2010
 - Traceability to Contract Number for outbound property
 - Tracking to IUID'd and non-IUID'd items
 - Transparency through transaction reuse
 - Ensuring contractors can only access the supply system within authorized limits

GFP Management Capabilities

- Paperless accountability and contract reconciliation of GFP
 - DFARS Case 2008—D049 Reporting of Government Property Losses - pending as a proposed rule
 - Defining existing data and transactions used for GFP supply transactions - underway
 - Two GFP process mappings underway - Marines (4 property systems) and Army (PBUSE)
- Marking, reporting and data management of property in the hands of contractors
 - Establish standard data format to integrate contract IUID data on GFP; includes IUID marking

Challenges

- **Adhering to the contract line item rules; enforcing Procurement Data Standard and use of Electronic Document Access system**
- **Establishing standard policy for Government Furnished Property management environment**
- **Marking and managing legacy items; drawing in NATO partners** (Netherlands and Canada procurement IUID requirements final or pending)
- **Wide Area Workflow Deployment**
 - Deployment across DoD has topped 80%
 - Being deployed into Afghanistan now
 - Receipt vs acceptance at destination remains a problem
- **Training, Training, and Training**
- **Marking Legacy Items**
- **Ensuring compliance adding data to IUID registry**

Financial

**Receipt and
Acceptance**

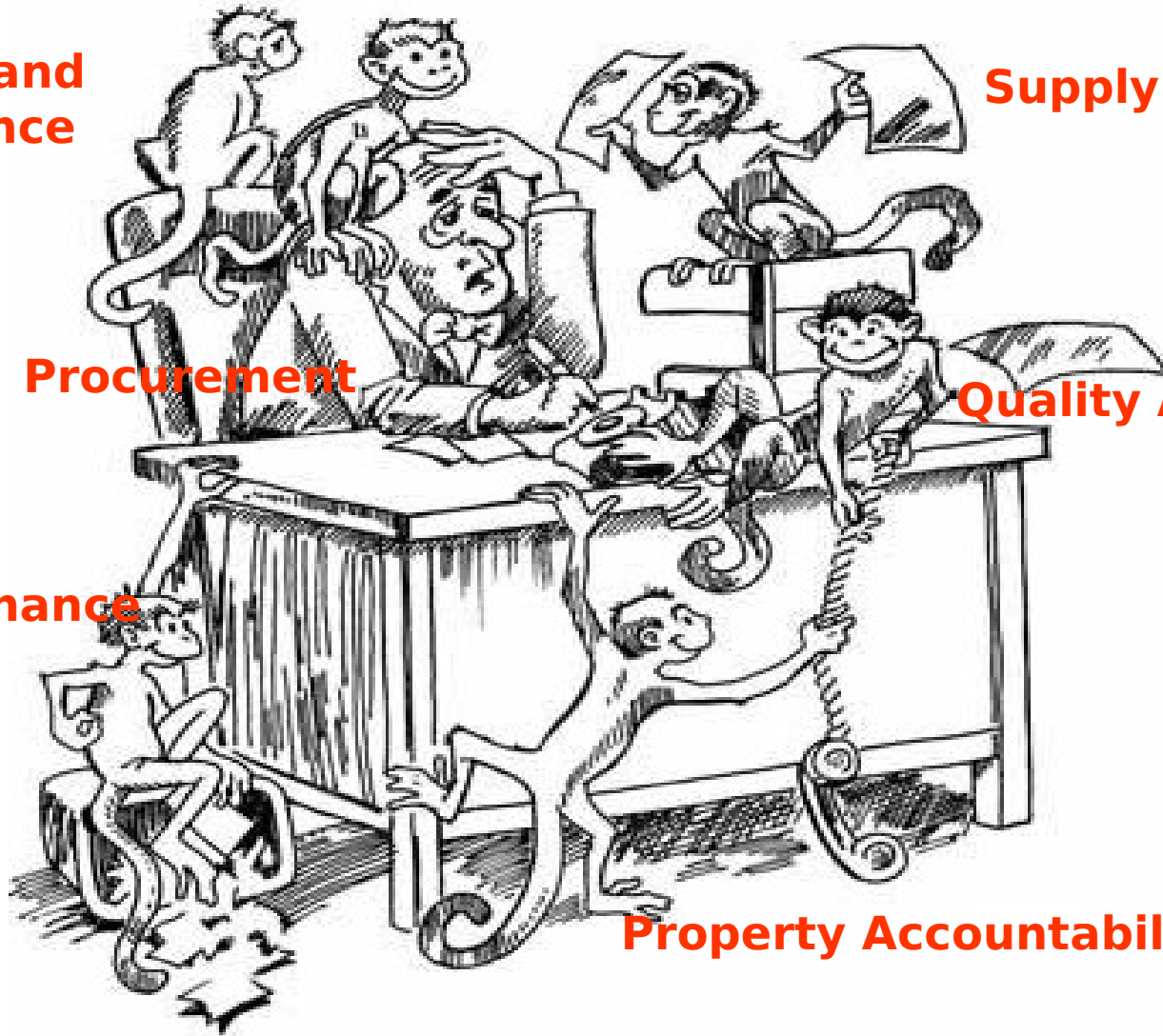
Supply

Procurement

Quality Assurance

Maintenance

Property Accountability

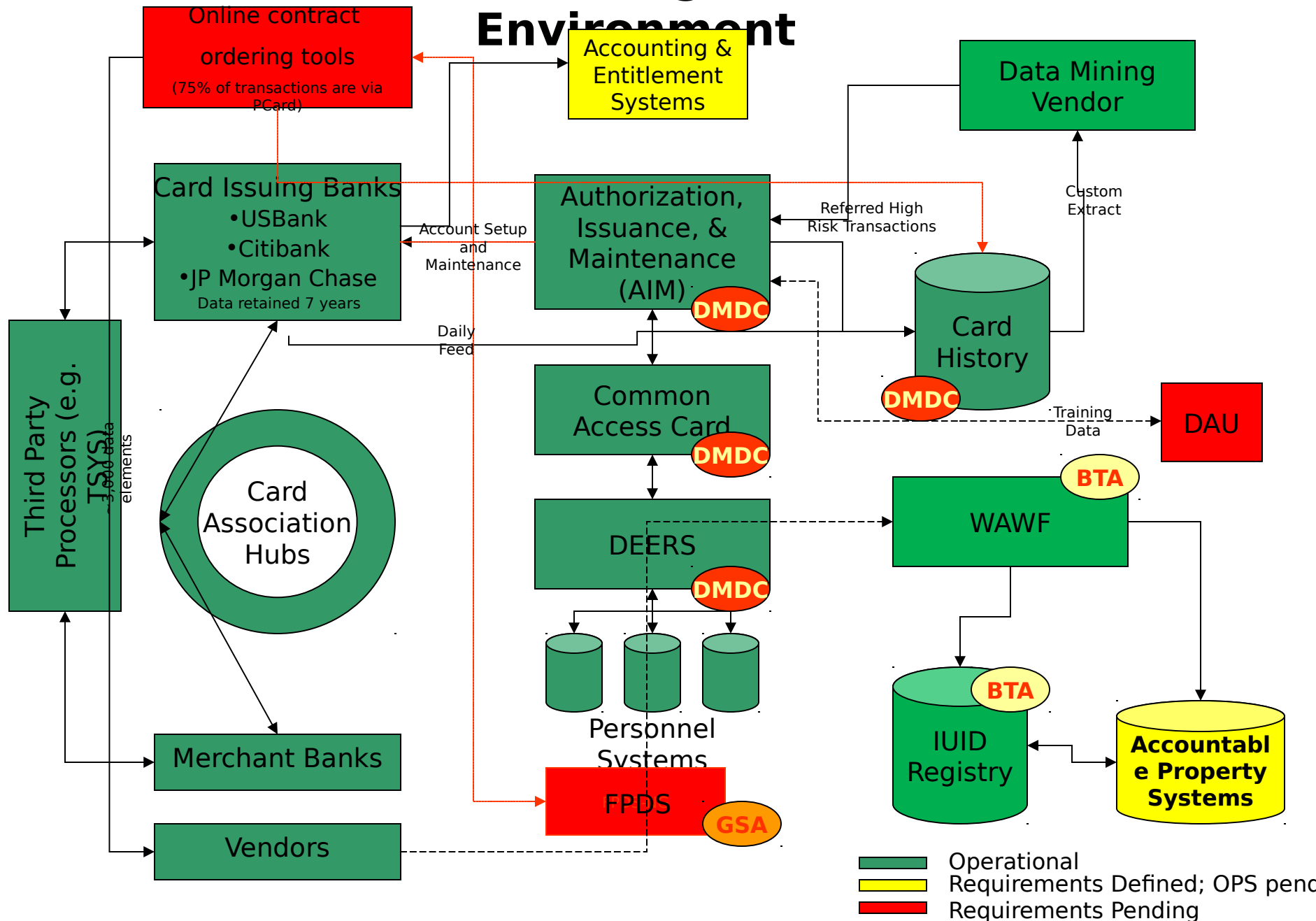


**Government Furnished Property
Business Management**

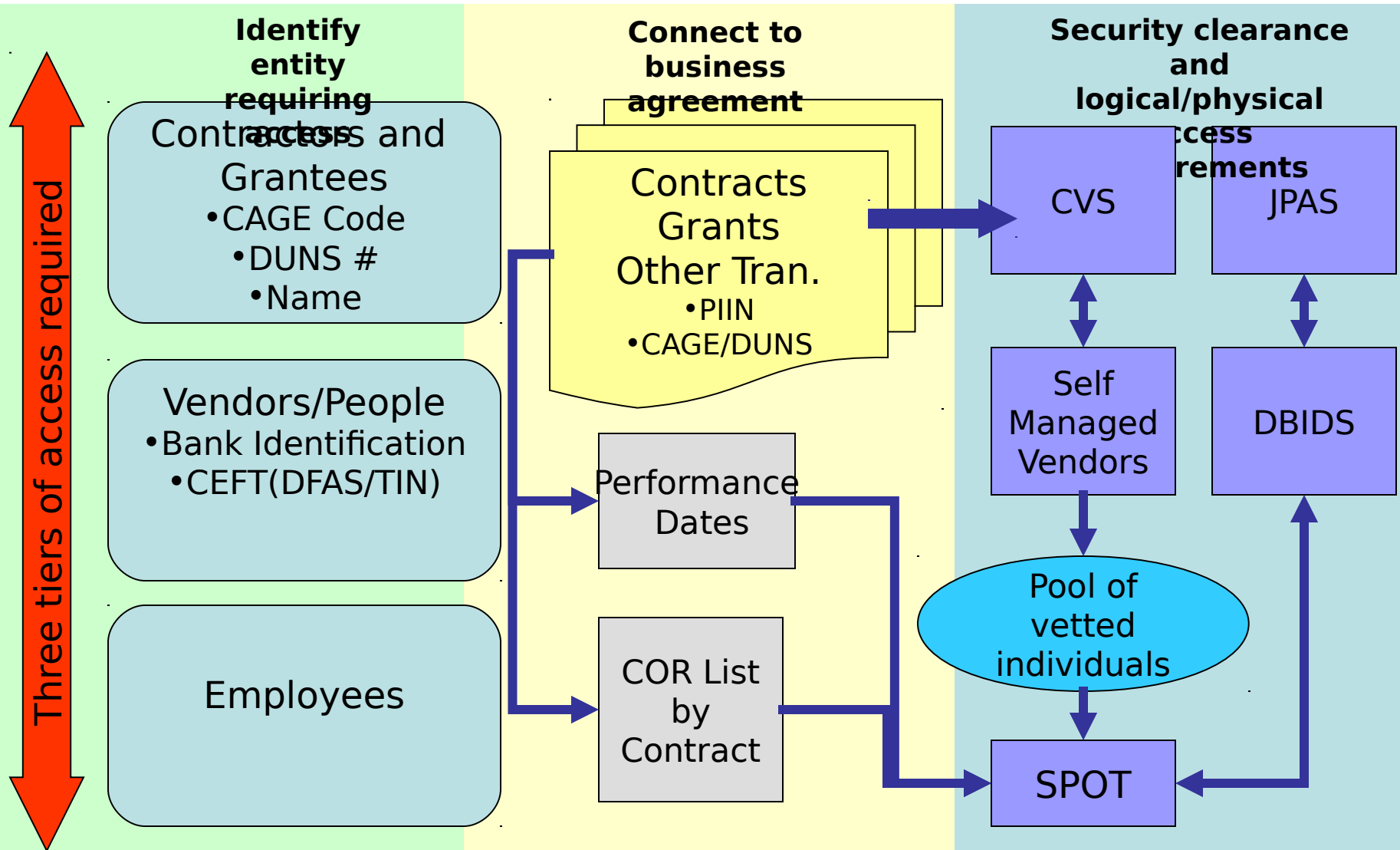
Crossing the Functional Streams

Property Management
is a Team Sport

Purchase Card Integrated Business Environment



Establishing Authoritative Sources for Contractor Access



Data Keys

- Contract Number, Delivery Order Number and Contract Line Item Number (CLIN); need a common indexing standard - pending
- NSN/NIIN to IUID (Operational)
- Item Unique ID (indexed against CAGE/PN/SN) (Operational)
- Organization UID & Joint Organization Query (JOQ) (mapping DoDAAC (Funding & Procurement) to Contract Issuance; ultimately to Command Structure – August 2010)
- Acquisition Program UID – still being defined

Business Intelligence Opportunities to Improve Operational Readiness

- Mapping contract line item intelligence to supply demand/fulfillment using IUID and NSN/NIIN (DLA's Fusion Center cross indexed with GFP Hub and IUID registry)
- Identifying counterfeit parts (ensuring OEMs have access to IUID's they establish)
- Single View for Government (PMs, Contracting Officers, DCMA, Logisticians) and Industry to GFP; on-line reconciliation by contract